

# Senate File 423 - Introduced

SENATE FILE 423

BY COMMITTEE ON TRANSPORTATION

(SUCCESSOR TO SF 354)

## A BILL FOR

1 An Act relating to the fee for new registration for repaired  
2 salvage vehicles, and including effective date provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321.105A, subsection 2, paragraph c,  
2 subparagraph (17), Code 2015, is amended by striking the  
3 subparagraph and inserting in lieu thereof the following:

4 (17) Vehicles titled under a salvage certificate of  
5 title. However, when such a vehicle has been repaired and  
6 a regular certificate of title is applied for, the fee for  
7 new registration is due. If the owner of the vehicle is  
8 not licensed as a motor vehicle dealer, the fee for new  
9 registration shall be equal to two percent of the value of  
10 the vehicle as determined by the department, with deductions  
11 allowed for the cost of parts, supplies, and equipment for  
12 which sales tax was paid and which were used to rebuild  
13 the vehicle. The department shall adopt rules to determine  
14 how such deductions shall be documented. The fee for new  
15 registration pursuant to this subparagraph (17) shall be  
16 automatically reduced in the following amounts, as applicable:

17 (a) If the motor vehicle is seven model years old or older,  
18 but newer than nine model years old, one-fourth of one percent  
19 of the value of the vehicle as determined by the department,  
20 taking into account the deductions applied for the cost of  
21 parts, supplies, and equipment for which sales tax was paid and  
22 which were used to rebuild the vehicle.

23 (b) If the motor vehicle is nine model years old or older,  
24 but newer than twelve model years old, three-fourths of one  
25 percent of the value of the vehicle as determined by the  
26 department, taking into account the deductions applied for the  
27 cost of parts, supplies, and equipment for which sales tax was  
28 paid and which were used to rebuild the vehicle.

29 (c) If the motor vehicle is twelve model years old or  
30 older, one and one-half percent of the value of the vehicle  
31 as determined by the department, taking into account the  
32 deductions applied for the cost of parts, supplies, and  
33 equipment for which sales tax was paid and which were used to  
34 rebuild the vehicle.

35 Sec. 2. EFFECTIVE DATE. This Act takes effect January 1,

1 2016.

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EXPLANATION

3           The inclusion of this explanation does not constitute agreement with  
4           the explanation's substance by the members of the general assembly.

5       Current law provides that a vehicle titled under a  
6 salvage certificate of title is exempt from the fee for new  
7 registration until the vehicle is repaired and a regular  
8 certificate of title is applied for. If the owner of the  
9 vehicle is a licensed recycler, but not licensed as a vehicle  
10 dealer, the fee for new registration applies based on the fair  
11 market value of the vehicle, with deduction allowed for the  
12 cost of parts, supplies, and equipment for which sales tax  
13 was paid and which were used to rebuild the vehicle. If the  
14 owner is a person who is not licensed as a recycler or vehicle  
15 dealer, the fee for new registration applies based on the fair  
16 market value of the vehicle, with deduction allowed for the  
17 cost of parts, frames, chassis, auto bodies, or supplies that  
18 were purchased to rebuild the vehicle and for which sales tax  
19 was paid.

20       The bill strikes these provisions but continues to provide  
21 that a vehicle titled under a salvage certificate of title is  
22 exempt from the fee for new registration until the vehicle is  
23 repaired and a regular certificate of title is applied for.

24       The bill provides that if the owner of the vehicle is  
25 not licensed as a motor vehicle dealer, the fee for new  
26 registration shall be equal to 2 percent of the value of  
27 the vehicle as determined by the department, with deductions  
28 allowed for the cost of parts, supplies, and equipment for  
29 which sales tax was paid and which were used to rebuild  
30 the vehicle. The bill provides that the department of  
31 transportation shall adopt rules to determine how such  
32 deductions shall be documented.

33       The bill provides that the fee for new registration shall be  
34 automatically reduced in certain circumstances. If the motor  
35 vehicle is seven model years old or older, but newer than nine

1 model years old, the fee for new registration is reduced 0.25  
2 percent of the value of the vehicle. If the motor vehicle is  
3 nine model years old or older, but newer than 12 model years  
4 old, the fee for new registration is reduced 0.75 percent of  
5 the value of the vehicle. If the motor vehicle is 12 model  
6 years old or older, the fee for new registration is reduced 1.5  
7 percent of the value of the vehicle. For these reductions, the  
8 value of the vehicle is determined by the department, taking  
9 into account the deductions applied for the cost of parts,  
10 supplies, and equipment for which sales tax was paid and which  
11 were used to rebuild the vehicle.

12 The bill takes effect January 1, 2016.